

## **UPDATE: January 24, 2006**

Dear CE Provider:

Recently, Public Act 247 required that three (3) of the twenty-four (24) hours of continuing education credits be in ethics for producers in the state of **Michigan**. This change will take effect on February 1, 2006.

To be approved, an ethics training course must reinforce a producer's ethical competence, must contribute to a producer's understanding of the complexities of ethical decision-making in the insurance industry, and must provide tools to help an insurance professional identify, prevent and constructively resolve ethical dilemmas.

As you determine if your course(s) would meet this new requirement, please keep the following questions in mind:

1. Does this course contribute to a producer's understanding of his/her ethical responsibilities?
2. Does the course give examples of "good" licensee conduct, as well as examples of "bad" licensee conduct?
3. Does this course contribute to a producer's understanding of the complexities of ethical decision-making within the context of insurance transactions?
4. Does the coursework describe where a producer may find tools that are provided to help the agent identify, prevent, and resolve ethical dilemmas that arise in the course of conducting insurance business?
5. How will the content of this course contribute to the producer's understanding of proper vs. improper, honest vs. dishonest behavior?
6. Does this course demonstrate to whom the licensee "owes" an ethical responsibility and how this will help the licensee understand his or her ethical responsibilities to such an entity?
7. How will this course help the licensee distinguish between legal and ethical behavior and legal but unethical behavior?

Ethics training may include, but not be limited to, subjects as follows:

- Anti-money laundering
- Competence
- Compliance with state and federal laws and regulations
- Consumer protection
- Credit scoring
- Defamation of a competitor
- Disclosure
- Fair claims practices
- Fair sales practices (misrepresenting your product)
- Fair trade practices

- Fair underwriting practices
- Fiduciary duties (financial irresponsibility)
- Fraud awareness
- Honesty (dishonest practices and untrustworthiness)
- Integrity
- License suspension, revocation, or denial
- Loyalty
- Market conduct
- Premium fund trust accounts and the problem of commingling
- Privacy
- Product suitability

If you have courses that you would like to submit for the hours in ethics, you are encouraged to submit them as soon as possible. **Credit hours for an ethics course cannot be approved for more than 24 total credits.**

If you currently have **an ethics course** which is approved for life/health and/or property/casualty and you would like to have it reclassified to an ethics course, please submit a cover letter which identifies the course and a complete, timed outline. We will review the material and, if it meets the guidelines, will reclassify it as an ethics course (no fee required).

**If you have current courses that include ethics** please resubmit the courses with the background course materials and please include the previously approved course number. **We will review the course materials provided and reclassify the course appropriately. Please specify how many hours of ethics you are requesting (fee required).**

Sincerely,

Promissor